



PERMANENT MEMORANDUM 77

University Procurement and Contracting

POLICY DIGEST

Monitoring Unit: Office of Finance & Administration

Last Revised: *February 25, 2019*

I. PURPOSE

Permanent Memorandum 77 establishes the University's comprehensive procurement policy pertaining to the acquisition of goods and services, including contract administration for LSU entities exercising procurement and contracting autonomy under the Higher Education Procurement Code.

II. DEFINITIONS

Procurement: the process by which the ownership or use of goods or services are acquired. Procurement includes but is not limited to description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. Procurement oversight is not intended to substitute for management decisions or to supersede technical expertise provided by faculty and staff in other professional fields.

Agreements/Contracts: any written form of documentation legally obligating the parties to a particular transaction, also referred to as a contract, which includes language related to pricing, deliverables, statement of work, insurance, indemnification, rights, and responsibilities of either party.

Goods: all property including but not limited to equipment, materials, supplies, insurance, license agreements for software and leases on real property; excludes a permanent interest in land.

Services: the furnishing of labor, time, or effort by a vendor which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance. Services include professional, design services, specialty, personal, social, and consulting services.

III. HIGHER EDUCATION PROCUREMENT CODE AND APPLICABLE REVISED STATUTES

A. Authority

The Higher Education Procurement Code (HEPC), as authorized by [R.S. 17:3139.5](#) and codified at Title 34 Part XIII of the [Louisiana Administrative Code](#), promotes the development and use of procurement processes that advance the pursuit of excellence and the best interests of the University while maintaining the highest possible integrity, broad based competition, fair and equal treatment of the business community, and increased economies and efficiencies for the University. The HEPC is in lieu of state government statutes when the University procures goods or services or enters into contracts. Construction and construction-related contracts are not covered by the HEPC and are governed by [R.S.38:2211-2261](#). Authority for the oversight and operation of the HEPC is vested in the University's Chief Procurement Officer (CPO).

B. Applicability

The HEPC designates LSU as the initial qualifying institution and provides that other entities under the Board of Supervisors may utilize this authority if engaged in a shared Enterprise Resource Planning (ERP) software financial operation. Those LSU entities under the management board not utilizing the shared

ERP may request autonomy from LSU subject to a comprehensive risk assessment and mutual agreement of an oversight mechanism to ensure HEPC compliance. Those LSU entities not delegated procurement or contracting authority under the autonomy granted by [R.S. 17:3139.5](#) shall operate under applicable state laws.

The HEPC applies to the acquisition by the University of all goods and services paid with public funds. In addition, the HEPC applies to transactions with no expenditure of public funds where university facilities, personnel, or services will be utilized for revenue producing enterprises with other individuals or entities that will generate income for the University, consistent with management board policies.

C. Delegations

For the efficient operation of the University the CPO may delegate, in writing with the approval of the Chief Financial Officer (CFO) or designee, to University administrators or their designated agents, authority to procure on behalf of their administrative units. A comprehensive assessment, including such criteria as potential for risk and capacity, shall be utilized to determine appropriate levels and scope of delegation.

The CPO shall monitor compliance of procurement procedures and ethical practices are followed for those with designated authority. The CPO may change, limit, expand, or revoke delegations as deemed appropriate.

D. Operational Aspects

The CPO shall disseminate operational policies and procedures; provide training opportunities; and work collaboratively across all LSU entities to support the application of best business practices and to promote the pursuit of excellence, while maintaining the highest possible integrity, broad based competition, fair and equal treatment of the business community, and increased economies and efficiencies for the University. In addition, delegations shall be reviewed annually.

Periodic reports shall be submitted to the CFO on such matters as University-wide spend, savings, and efficiencies as required.

IV. CONTRACT PROCEDURES

A. Authorizing Contract Signature Authorities

All LSU entities must adhere to the contract approval procedures stipulated in the [Bylaws & Regulations of the Board of Supervisors](#) and any related delegations.

Except as limited by the Board of Supervisors, the President may delegate signature authority to University personnel where necessary or appropriate for the effective administration of the University. A signature designee may not permanently delegate their signature authority. The CPO shall coordinate with the President and the CFO to maintain a list of approved delegations and signature permissions. The approved delegations shall be reviewed annually.

B. Exclusions

For the purposes of this policy, certain contracts are specifically excluded as follows:

1. Contracts or appointments for employment;
2. Licensing of university's intellectual property specifically regulated by the management board;
3. Contractual agreements formally delegated by the President.
4. Contracts requiring Office of Contractual Review – Division of Administration Approval
5. Sponsored agreements and contracts
6. Contracts issued by the LSU Office of the General Counsel for legal services

7. Contracts issued and retained by the LSU Office of Facility & Property Oversight for transactions related to immovable property or real estate, including leases, rights of ways, servitudes, and rights of use, but not for the alienation of immovable property or real estate.
8. Contracts issued and retained by the LSU AgCenter for transactions related to immovable property or real estate, including leases, rights of ways, servitudes, and rights of use, but not for the alienation of immovable property or real estate.

C. Review of University Contracts and Similar Documents

LSU Procurement Services/CPO shall initiate the required reviews and obtain all necessary signatures for the execution of contracts, unless otherwise delegated.

The applicable campus/department is responsible for developing the required documentation for those instances wherein approval is required by the Board of Supervisors as specified in the Board’s Bylaws and Regulations.

LSU Procurement Services shall ensure that any written form of documentation covered by this PM and legally obligating the University, those entities exercising delegations as identified in section IV. A above, for performance or monetary issues or documentation that contains language related to pricing, statement of work, insurance, indemnification, legal venue, rights, and responsibilities of either party, whether it involves monetary payment or indicates its requirement of a signature of the University, shall be forwarded to the appropriate University or State personnel for review. Relevant University/Campus or State entities, may include but are not limited to:

University/Campus

- Executive Vice President & Provost
- Executive Vice President for Finance & Administration and CFO
- Vice President for Legal Affairs & General Counsel
- Associate Vice President & Chief Technology Officer
- Risk Management
- Facility & Property Oversight
- Sponsored Programs
- Research and Compliance

State

Division of Administration

D. Retention

Dissemination and retention for official records, contracts, and any pertinent information relevant to the procurement of goods and services or contractual obligations of the University covered by this PM shall be the obligation of Procurement Services, unless otherwise delegated.

Exceptions for retention include: research and sponsored programs; intellectual property rights and licensing; insurance policies; and approved form templates wherein delegations have been granted.

E. Reporting

Reporting shall adhere to stipulations as defined in the [Bylaws & Regulations of the Board of Supervisors](#).

F. Business Reviews and Contract Management

LSU Procurement Services/CPO shall oversee periodic business reviews for major contracts to ensure supplier performance and overall contract compliance.

In addition, training shall be provided for all LSU entities with regard to all phases of contract management and templates provided as applicable to assist in standardization and compliance.

V. SOURCES

[Bylaws & Regulations of the Board of Supervisors](#)

[Louisiana Administrative Code](#)

[R.S. 17:3139.5](#)

[R.S. 38:2211](#)